

# Governor Quinn's Proposal Will Negatively Impact Alton

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*(Alton, IL - March 15, 2010)* – Governor Pat Quinn made some alarming comments in his State Budget Address concerning income tax revenue shared by municipal, county, and state governments. The governor's budget proposal includes a \$300 Million cut to municipal governments under the Local Government Distributive Fund (LGDF). The proposal will cut the amount of income tax that goes to local governments from 10% to 7%. According to the Illinois Municipal League, municipalities are supposed to receive \$77.00 per person, but, under the Governor's proposal, communities will get only \$53.90 per person, a decrease of \$23.10 per person.

Alton Mayor Tom Hoechst said, "Last year, the State told us that we would receive \$91.08 per person or \$2,732,000. Now, the Governor is proposing to give us \$53.90 per person. This proposed reduction means Alton stand to lose approximately \$1,115,000, at a time when we are trying to prepare our budget for the next fiscal year." Alton's fiscal year starts April 1<sup>st</sup> and the City has already reduced staff by 40 positions. "The State is three months behind in the payments of the State Income Tax; that is approximately \$600,000 currently owed to Alton from the State of Illinois," Hoechst continued.

Alton is not the only city impacted by the Governor's proposal. Springfield Mayor Tim Davlin said, "This (the Governor's proposal) would devastate an already bleak budget to the point of causing a direct, negative effect on city services... I cannot imagine what city services might look like under this scenario." Like Alton, the City of Springfield is in the midst of a budget crisis and is in danger of cutting staff.

The governor's remarks on March 10<sup>th</sup> came after he made a pledge at the Illinois Municipal League's Annual Conference in September guaranteeing municipalities 10%

of current tax revenue and 10% of any additional tax revenue created from a tax increase. Pending a tax increase, this would have resulted in a growth of the funds distributed to municipal governments under LGDF. Governor Quinn has now backtracked on his promise and wants to strip local governments of these funds.

The governor's budget proposal must be approved by both the House and Senate in the Illinois General Assembly before becoming law.